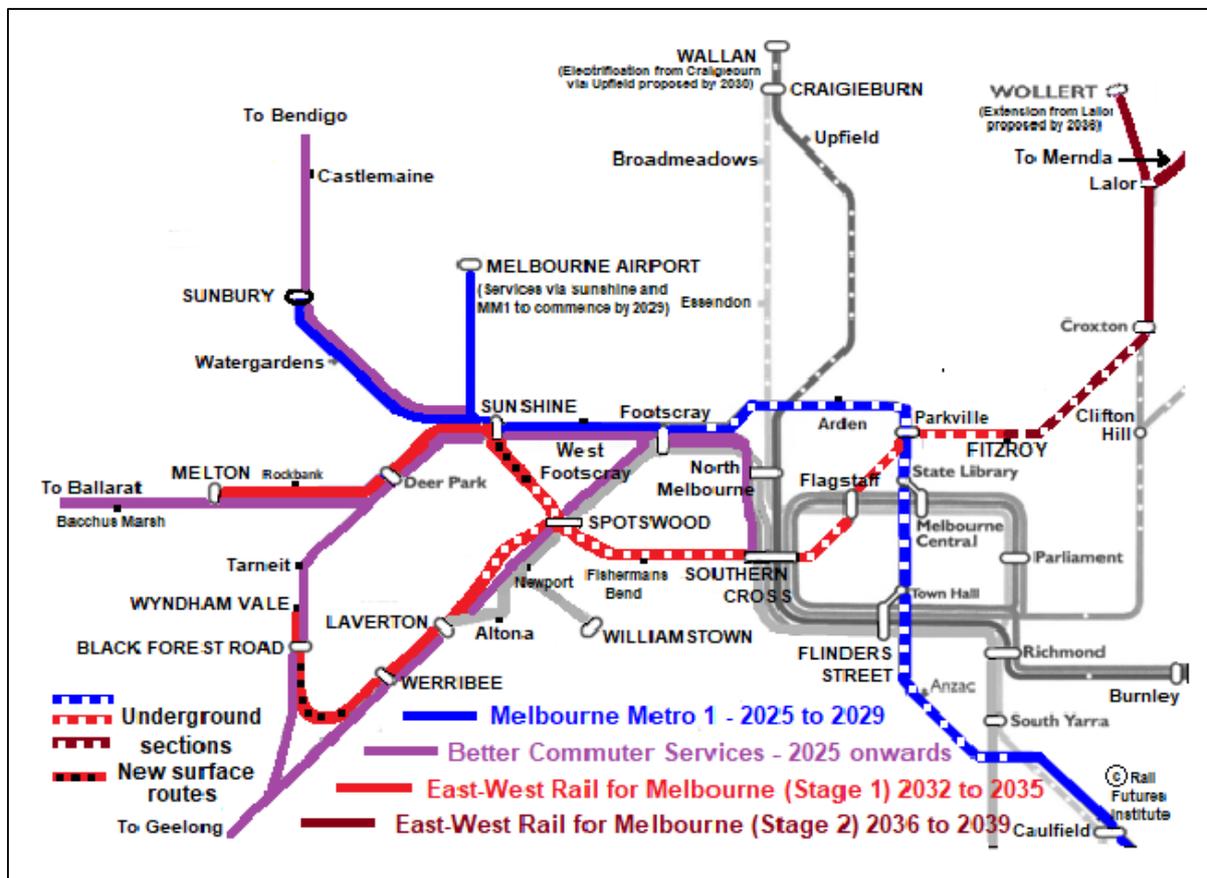




In July 2022, the Rail Futures Institute (RFI) supported calls for the state government to rethink the Suburban Rail Loop (SRL), recommending an East West Metro Rail plan (EWMR) as more worthy investment of public funds¹.

The proposed East West Metro Rail plan combines the first stage of the long-proposed Melbourne Metro 2 with the best features of the Government’s Western Rail Plan. It will create a cross-city link from Wyndham Vale and Melton in the west to Wollert and Mernda in the north east of Melbourne, via a tunnel under Fishermans Bend and the city.

The RFI claims it will address the paucity of public transport supply in Melbourne’s outer western suburbs by linking them to the jobs growth hubs in Fishermans Bend, the CBD and Parkville. The project is estimated to cost about \$30 billion and take about 15 years to complete, which is similar to the budgeted cost and time for the SRL East.



East West Metro Rail plan

The Town and Country Planning Association (TCPA) fully supports the RFI’s proposal that the East West Metro Rail plan be examined as a better alternative to the SRL.

The TCPA believes the most important consideration is how these two projects support land use planning for the long-term growth of Melbourne. Given the two projects are

¹ <https://www.theage.com.au/national/victoria/go-west-experts-in-call-to-drop-suburban-rail-loop-for-more-urgent-projects-20220708-p5b05u.html>



estimated to be about the same cost and time to build, then the question is which one delivers the more benefits?

We have used 5 criteria to assess the potential benefits of each project:

1. Public transport demand

Public transport aggregates demand into larger capacity vehicles to reduce the cost and increase the flow of people across Melbourne. Trains are the highest capacity vehicles and therefore need to aggregate the most demand to be viable.

The SRL East provides improved connectivity for middle suburbs in the east of Melbourne, and indirect connectivity for the outer suburbs to the east and south east of Melbourne.

The EWMR provides direct transport links for residents of the areas which have had the highest growth for the last two decades, and are planned to have the highest growth for the next two decades (Wyndham, Melton and Wollert).

It is therefore reasonable to expect that the EWMR will support more demand than the SRL, particularly in the longer term as Melbourne continues to grow.

However, changing work patterns may affect the viability of both proposals if the decreased demand for high capacity public transport continues as a long-term effect as a result of the Covid pandemic.

2. Access to Jobs

The most important role for the suburban rail system is to provide access for people to get to jobs centres.

The CBD and its surrounding precincts is Melbourne's largest jobs centre which has dominated jobs growth over the last two decades. Although the Covid pandemic has dented its role, it is more than likely to continue to be dominant for the foreseeable future.

The Monash precinct comes a distant second to the CBD, with Bundoora and Parkville close behind. Other planned jobs growth centres are Dandenong South, Fishermans Bend and Werribee, with Melton and Beveridge (north of Wollert) identified as potential future hubs.

The SRL East provides better connectivity to only the one jobs growth hub at Monash, whereas the EWMR provides direct connectivity for the CBD, Parkville and Fisherman Bend, and indirect connectivity to Bundoora. The EWMR will also be influential in creating the jobs growth that is planned for Werribee, Melton and north of Wollert.

So it is clear that the EWMR will provide accessibility to more jobs centres with potential for higher jobs growth than will the SRL.

Of course changing patterns due to hybrid work practices need to be factored in, but it is unlikely to impact the importance of the CBD and central locations compared with suburban centres.



3. Increased urban densification

Transport Oriented Development is now an accepted approach for the densification of cities. The objective is to create highly liveable precincts around stations by creating 'town' centres with shops, entertainment and services, surrounded by apartments to concentrate urban density.

Plan Melbourne identifies a number of activity centres suitable for densification, including Box Hill, Ringwood, Sunshine, Footscray, Broadmeadows, Epping, Dandenong and Frankston. In the longer term, Werribee, Melton and Beveridge are also planned for increased densification.

The SRL East is designed as a circular line connecting major activity centres. Its business case is based on the densification of Box Hill, Burwood, Glen Waverley and Cheltenham activity centres. The TCPA has already commented on the unprecedented scale of development proposed for these centres².

The EWMR would support densification of the future activity centres in Werribee, Melton and Fishermans Bend, and potentially Beveridge to the north of Wollert. However the EWMR is designed as a cross-city metro service providing connectivity for outer growth areas and accessibility to the major jobs hubs in and around the CBD.

It is unclear whether the SRL East will succeed in creating high density population hubs ('cities') within metropolitan Melbourne. There is little or no research to suggest that business will want to relocate to suburban centres.

On the other hand, the EWMR supports densification in centres where there is ongoing population growth or jobs precincts with tertiary education facilities that will stimulate jobs demand in the longer term.

4. Potential funding through Value Capture

Land value uplift is an important outcome from the implementation of new rail infrastructure. It is therefore reasonable to capture some of that value uplift to fund the new infrastructure through development contributions, windfall gains or betterment levies.

Value capture on new development is critical to the business case for the SRL. 'SRL precincts' that are up to 1600 metres from the new stations at Cheltenham, Clayton, Monash, Glen Waverley, Burwood and Box Hill are now subject to developer contributions and windfall gains tax. Each precinct is six times the size of the Hoddle Grid in the CBD. It therefore presents considerable opportunity to fund the new infrastructure.

The EWMR has similar scope to capture value from developer contributions and windfall gains tax. Like the SRL East, precincts could be defined to capture land value uplift around each station. Windfall gains could also be captured in new growth areas, and particularly from the new growth hubs at Werribee, Melton and Wollert.

² <https://tcpa.org.au/the-government-takes-control-of-developing-srl-precincts/>



It is unclear which project would offer more opportunity for value capture, providing similar rules are applied to both. However the EWMR would appear to have higher potential given it connects centres which have long been a focus for increased growth within Melbourne.

5. Ancillary and future benefits

The SRL East is the first stage of a circular line connecting through to the airport and eventually on to Werribee. The bulk of its benefits will be delivered when it connects the major activity centre to the east and north of Melbourne to the airport.

The EWMR provides a major benefit to regional commuters from Geelong, Ballarat and Bendigo by removing suburban services from Southern Cross to Sunshine on the Ballarat and Bendigo lines, and to Newport on the Geelong line. This will free those lines for faster regional services unconstrained by stopping-all-stations suburban trains.

From our preliminary analysis it is clear the EWMR will deliver greater benefits more immediately and in the longer term than the SRL East. Clearly the East West Metro Rail plan supports more demand, greater population growth and provide better access for more people to jobs compared with the SRL East, both in the short and longer time frames. In fact the SRL East won't deliver its full benefits until it connects to the airport, which is planned in 2056 at 2-3 times the cost of SRL East.

Therefore it is clear that the East West Metro Rail plan should receive priority. We commend the East West Metro Rail plan proposed by the RFI, and implore the Andrews Government to focus on rail infrastructure that will really benefit Victorians for the future.